

Message Text

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TAGS: PFOR PINS OAS ENRG ETRD PE VE
SUBJ: PRESIDENT MORALES BERMUDEZ IN VENEZUELA- RHETORIC
AND REALITY

REF: LIMA 11154, LIMA 11100, CARACAS 14113(NOTAL)

SUMMARY. PERUVIAN PRESIDENT MORALES BERMUDEZ'(MB) VISIT TO VENEZUELA DEC 10-13 YIELDED FEE SURPRISES. THE TWO PRESIDENTS MET FOR LENGTHY CONVERSATIONS, SIGNED A JOINT COMMUNIQUE PRAISING INTER ALIA, NIBO, REGIONAL INTEGRATION EFFORTS, CARTELS, AND HUMAN RIGHTS, AND CONDEMNING TERRORISM, ARMS RACE, MNCS, AND THE DC POSITION ON THE LOS. IN PRESS CONFERENCE, MB SAID PERUVIAN MILITARY WILL NOT PERMANENTLY HOLD POWER, CLAIMED DEMOCRACY EXISTS IN PERU(ALBEIT NOT A "TRADITIONAL" TYPE), SAID SEA CORRIDOR DIALOGUE WILL CONTINUE, JUSTIFIED PRESS CLOSINGS, AND DENIED PERU IS IN ARMS RACE. TWO LEADERS AGREED TO UNDERTAKE FURTHER DEVELOPMENT OF EXCHANGES OF IRON ORE AND PETROLEUM, AND ANNOUNCED STUDY OF POSSIBILITY THAT PERU WILL FURNISH FISHMEAL AND COTTON IN EXCHANGE FOR VENEZUELAN INVESTMENT FUND LINE OF CREDIT FOR EXPORTS. END SUMMARY.

1. JOINT COMMUNIQUE- CHECK LIST OF VENEZUELAN-PERUVIAN SHIBBOLETHS. THE DEC 11 JOINT COMMUNIQUE, SIGNED IN A CEREMONY AT THE PRESIDENTIAL PALACE, BLENDED THE STANDARD CONFIDENTIAL
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RHETORIC OF BOTH LEADERS INTO TWENTY-ONE DISJOINTED ARTICLES.
COMMUNIQUE RANGED OVER ALMOST EVERY TOPIC OF INTEREST TO BOTH

GOVTS, STARTING WITH CONDEMNATION OF COLONIALISM, AND APARTHEID; CALLED ON UN TO TAKE ACTION AGAINST INTERNATIONAL TERRORISM (A PEREZ FAVORITE); REAFFIRMED SOVEREIGN RIGHTS OF STATES TO MAKE USE OF THEIR NATURAL RESOURCES AS THEY SEE FIT, AND CONDEMNED EFFORTS WHICH CONTRIBUTE TO REDUCING THIS RIGHT (READ GSP AMENDMENT FOR VENEZUELA, HICKENLOOPER AND GONZALEZ AMENDMENTS FOR PERU); DECLARED AN URGENT NECESSITY FOR THE ESTABLISHMENT OF THENIBO AND TO CONTINUE EFFORTS THROUGH CIEC TO THIS END; SUPPORTED UNCTAD NEGOTIATIONS FOR INTEGRATED BASIC PRODUCTS PROGRAM AND THE COMMON FUND; CALLED FOR STRENGTHENING OPEC AND CIPEC(OF SPECIAL INTEREST TO VENEZUELA AND PERU RESPECTIVELY), AND RECOGNIZED THE IMPORTANCE OF ESTABLISHING A COUNCIL OF ASSOCIATIONS OF RAW MATERIALS PRODUCERS AND EXPORTERS (A PERUVIAN THEME-PEREZ USUALLY LIMITS HIMSELF TO JUSTIFYING CARTELS AS A NEGOTIATING WEAPON); CALLED ON IFIS TO DEMOCRATIZE THEIR DECISION-MAKING PROCDEDURES(A PERUVIAN RATHER THAN VENEZUELAN THEME); REAFFIRMED INTEGRATION EFFORTS OF THE ANDEAN PACT, AND SELA; APPEALED TO DCS IN THE LOS NEGOTIATION TO RECOGNIZE LEGITIMATE ASPIRATIONS OF COASTAL STATES AND HUMANITY REGARDING DEEP SEABED RESOURCES; AND CALLED FOR COMPLETION OF OAS REFORM (A PERUVIAN THEME).

2. JOINT COMMUNIQUE- ASSISTANCE. NEITHER COMMUNIQUE NOR LEADERS STATED THAT SPECIFIC AGREEMENTS WERE REACHED DURING VISIT, ALTHOUGH LOCAL PRESS IMPLIED AS MUCH. :9..7,8173'S CLOSING PARAGRAPHS NOTED THAT THE TWO PRESIDENTS ANALYZED THE DEVELOPMENT OF EXISITING CONTRACTS, SUCH AS THOSE FOR IRON AND PETROLEUM AND "MADE MANIFEST THEIR DESIRE TO CONTINUE THEM IN THE BEST POSSIBLE MANNER." FURTHER, THE TWO LEADERS AGREED TO "ARRANGE FOR A STUDY OF THE MEANS WHICH WOULD MAKE POSSIBLE THE SHIPMENT OF FISHMEAL AND COTTON, ON THE PART OF PERU, AND A LINE OF CREDIT FROM THE FINANCIAL FUND FOR EXPORTS, ON THE PART OF VENEZUELA." (NOTE: IF REALIZED, THE CREDIT WOULD PROBABLY BE AT COMMERCIAL RATES.) CARACAS COLUMNIST SPECULATED, IN REGARD TO DISCUSSIONS THAT VENEZUELA MIGHT AUGMENT PETROLEUM SUPPLIES IN ADDITION TO PRESENT 10,000 BARRELS PER DAY. ALSO, THAT HERE MAY BE FURTHER DISCUSSIONS CONCERNING CREATION OF A BINATIONAL FERTILIZER OPERATION USING BAYOVAR PHOSPHATES; ANDA TUNA FISHING
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COMPANY. FINALLY, THAT THE CREDIT LINE MIGHT BE SUED BY PERU TO BUY UNSPECIFIC VENEZUELAN PRODUCTS.

3. MORALES BERMUDEZ' PRESS CONFERENCE- SEA CORRIDOR, PRESS FREEDOM, AND THE ROLE OF THE MILITARY. ACCORDING TO CARACAS PRESS, M B SAID PERU HAS PRESENTED A PROPOSAL CONCERNING THE SEA CORRIDOR WHICH IS FAIR. PERUVIAN PRESIDENT ADDED THAT THE CHILEAN RESPONSE TO THEPERUVIAN PROPOSITION IN NO WAY SIGNIGIED A BREAKDOWN IN THE DIALOGUE. SPEAKING OF DEMOCRACY, M B SAID GOP HAS UNDERTAKEN SERIES OF SOCIO-ECONCOMIC CHANGES

IN ITS SECOND PHASE, AND ANNOUNCED THAT ARMED FORCES "CANNOT ETERNALLY HOLD POWER. THERE HAS TO BE A LIMIT." M B SAID DEMOCRACY DOES EXIST IN PERU BASED ON THE PERUVIAN TRILOGY OF HUMANISM, NATIONALISM, AND CHRISTIAN INSPIRATION, CRITICIZED FOR HAVING CLOSED DOWN SERIES OF PUBLICATIONS, M B RETORTED THAT SOME OF THE PRESS HAD FALLEN INTO "LIBERTINISM." FINALLY, M B SAID PERUVIAN ARMED FORCES HAVE NOT UNDERTAKEN AN ARMAMENTS RACE, BUT ARE BUYING WEAPONS TO REPLACE OBSOLESCEMENT EQUIPMENT.

4. RECIPROCAL CHIDING. PEREZ CHIDED HIS PERUVIAN GUEST ABOUT STATUS OF DEMOCRACY IN PERU. DURING DEC 10 WELCOMING STATEMENT, PEREZ, AFTER CALLING ON ALL STATES TO RESPECT HUMAN RIGHTS, NOTED THAT THE VENEZUELAN CONSTITUTION ESTABLISHED IN ITS PREAMBLE, AS AN OBLIGATION OF THE STATE "TO SUPPORT THE DEMOCRATIC ORDER AS THE ONLY AND UNRENOUNCEABLE MEANS OF ASSURING THE RIGHTS AND DIGNITY OF CITIZENS...." IN ADDITION, FULL-PAGE AD APPEARED IN CARACAS PRESS DEC 10, ON DAY OF M B'S ARRIVAL, CALLING ON GOP TO RESTORE POLITICAL DEMOCRACY. AD WAS SIGNED BY MANY PROMINENT VENEZUELAN, INCLUDING FOUR LEADING MEMBERS OF THE GOVERNING AD PARTY'S CENTRAL EXECUTIVE COMMITTEE--THREE OF WHOM ARE LABOR FIGURES WITH TIES TO APRA--AND BY PERUVIAN EXILES(AD POUCHED TO LIMA). M B IN REPLY TO PEREZ' TOAST THE EVENING OF DEC 10, EMPHASIZED THAT EACH LDC MUST CREATE ITS OWN SOCIAL MODEL, "WITH A NEW QUALITY OF LIFE AND A NEW HUMAN DIMENSION WHICH MAKE COMPATIBLE THE DIGNITY OF MAN AND HIS ENVIRONMENT." M B, AFTER PRAISING OPEC AND CIPEC ORGANIZATIONS, NOTED POINTEDLY THAT "... THE JUST AND COMPENSATORY ACTIONS CONCERNING ENERGY PRICES SHOULD NOT HAVE AN ADVERSE IMPACT ON THE OTHER LDCS, GIVEN THE GRAVE ECONOMIC AND SOCIAL SITUATION CONFRONTING THEM.. BECAUSE OF IMPORTED INFLATION." THUS, LDCS MUST
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SEEK A COMBINATION OF "COMPENSATORY FORMULAS THRU HORIZONTAL COOPERATION" BETWEEN LDC PETROLEUM PRODUCERS AND IMPORTERS. "THIS IS THE CHALLENGE TO OUR IMAGINATION AND TO THE REALIZATION OF OUR UNITY AND SOLIDARITY." PEREZ NOTED IN THIS REGARD THAT VENEZUELA WILL PROPOSE TO OPEC THAT NEW PRICE INCREASE SHOULD NOT FALL ON LDCS WHICH LACK OIL.

5. INTEGRATION THEME. M B ALSO VISITED HDQTS OF ANDEAN DEVELOPMENT CORPORATION (CAF) AND LATIN AMERICAN ECONOMIC SYSTEM(SELA). AT BOTH HE STRESSED PERUVIAN COMMITMENT TO INTEGRATION MECHANISM.ON SAME SUBJECT, PEREZ, AT DEPARTURE CEREMONY FOR M B AT AIRPORT DEC 13, AGREED WITH M B THAT THERE CAN BE A TRUE UNITY OF LATIN AMERICAN NATIONS, ONLY THRU ECONOMIC INTEGRATION. FURTHER, "... THRU ECONOMIC INTEGRATION, I AM CERTAIN, IN A NOT TOO DISTANT FUTURE POLITICAL INTEGRATION WILL COME INTO BEING." FINALLY, WARMING TO THIS SUBJECT, PEREZ ENDED ON A CHARACTERISTICALLY BOLIVARIAN NOTE: "LATIN AMERICA IS CALLED TO PLAY A GREAT ROLE IN THE WORLD

OF THE FUTURE AND I WOULD DARE TO SAY THAT THE FUTURE WILL BE
WHAT LATIN AMERICA DETERMINES."

6. COMMENT. ON ITS FACE, VISIT PRODUCED LITTLE OF SUBSTANCE
BEYOND RHETORICAL APPEALS FOR THENIBO AND LATIN AMERICAN UNITY
ET AL. ON THE BASIS OF LIMA REPORTING AND PEREZ' BOLIVARIAN
PENCHANT, WE THINK IT LIKELY THAT PEREZ RAISED THE SEA
CORRIDOR ISSUE, AND MAY ALSO HAVE GONE SO FAR AS TO SUGGEST
THE PERUVIANS SPEED UP THE PROCESS OF RETURNING AT LEAST LIMITED
POWER TO CIVILIANS. ON OPEC, CLEARLY THE PERUVIANS'S IDEOLOGICAL
PREFERENCES RAN COUNTER TO THEIR SHORT-TERM ECONOMIC INTERESTS,
ALTHOUGH, AS NOTED PREVIOUSLY, WE DOUBT THAT M B PRESSED PEREZ
ON MAINTAINING PRICES AT CURRENT LEVELS. RATHER, WE SURMISE
HE ASKED PEREZ TO FOLLOW THRU ON HIS EARLIER CALL TO HIS OPEC
COLLEAGUES TO OFFER SPECIAL FINANCING ARRANGMENTS FOR THE OIL-LESS
LDCS. PRESS REPORTS PERUVIAN FOREIGN MINISTER DESCRIBED VISIT AS
PRIMARILY " POLITICAL." IN OUR VIEW, THE AGGLOMERATIVE NATURE
OF THE JOINT COMMUNIQUE,AND THE LIMITED SUBSTANTIVE RESULTS
SUGGEST POOR COORDINATION AND PRELIMINARY WORK BETWEEN PERUVIAN
AND VENEZUELAN DIPLOMTAS. NEITHER THE HERALDED NARCOTICS OR
ARCHAEOLOGICAL ACCORDS SAW THE LIGHT OF DAY LENDING CREDENCE TO
THIS THESIS. WE WILL REPORT FURTHER ON TSTATUS OF ECONOMIC
ACCORDS AND POLITICAL DISCUSSIONS WHEN MORE INFO AVAILABLE.
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